

RECORDATION NO. 25829-A FILED

SEP 23 '05

2-30 PM

SURFACE TRANSPORTATION BOARD



## FIRST UNION RAIL

One O'Hare Centre  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Tel 847.318.7575  
Fax 847.318.7588

**VIA UPS 2<sup>nd</sup> DAY AIR**

September 21, 2005

Mr. Vernon E. Williams  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment

**Re: Memorandum of Lease Agreement**

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) certified copies of a Memorandum of Lease Agreement, dated April 1, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 25829. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018  
USA

Lessee: Premium Pellet, Ltd.  
P.O. Box 155  
Vanderhoof, BC  
V0J 3A0  
Canada

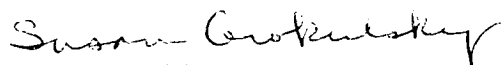
A description of the railroad equipment covered by the enclosed document is twenty-four (24) 5150 cu. ft. covered hopper railcars, marked FURX and NDYX (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: **Memorandum of Lease**

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5355.  
Thank you for your cooperation in this matter.

Very truly yours,

  
Susan Grokulsky  
Manager of Documentation

Enclosures

(PRPE002)

RIDER NO. 2

SEP 23 '05

2-30 PM

ASSGN. NO.: PRPE002

## MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 1<sup>st</sup> day of April, 2005, by and between the Montreal branch of First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Premium Pellet Ltd. ("Lessee"), a British Columbia corporation.

W I T N E S S E T H:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of April 1, 2005, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of April 1, 2005, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Susan A. BarrieName: Susan A. BarrieTitle: Regional Vice-President, SalesBy: Gordon HopkinsName: Gordon HopkinsTitle: Director SalesExecuted on this 5th day of August, 2005.

[CORPORATE SEAL]

PROVINCE OF QUEBEC

DISTRICT OF MONTREAL

I, Gord Hopkins, a Commissioner of Oaths of the Province and District aforesaid, certify that Susan A. Barrie personally appeared before me this day and acknowledged her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 5th day of August, 2005.

Gordon Hopkins  
Commissioner of Oaths

My Commission Expires:

21/07/2006  
(Commissioner of Oaths)

LESSEE:

PREMIUM PELLET LTD.

ATTEST:

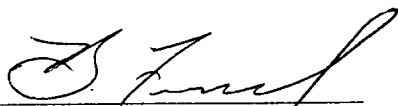
By:



Name: NORMAN P. AVISON

Title: PRESIDENT

By:



Name:

Brian Frankel

Title:

Director

Executed on this 8th day of JUNE, 2005.

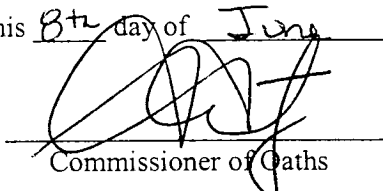
[CORPORATE SEAL]

PROVINCE OF BRITISH COLUMBIA

DISTRICT OF VANDERHOOF

I, SHELLY L. SHANTZ, a Commissioner of Oaths of the Province and District aforesaid, certify that NORMAN P. AVISON personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 8th day of JUNE, 2005.

  
Commissioner of Oaths

Commission Expires:

AUG 31, 2006  
(Commissioner of Oaths)

**SHELLY SHANTZ**  
CUSTOMER SERVICE REP  
PO BOX 1459, 189 STEWART ST. E.  
VANDERHOOF, BC V0J 3A0

**EXHIBIT A**  
**to**  
**MEMORANDUM OF LEASE**

NUMBER OF CARS: Twenty four (24).

DESCRIPTION OF CARS: 5150 cu.ft. covered hopper rail cars (C114).

CAR NUMBERS:

FURX	840118
FURX	840248
FURX	840312
FURX	843565
FURX	843570
FURX	843588
FURX	843592
FURX	843601
FURX	843621
FURX	843636
FURX	843644
FURX	843646
FURX	843649
FURX	843655
FURX	843659
FURX	843669
NDYX	515246
NDYX	515398
NDYX	515449
NDYX	515454
NDYX	515700
NDYX	515792
NDYX	516034
NDYX	516113

**Count: 24**

STATE OF ILLINOIS) ) SS  
COUNTY OF COOK)

## CERTIFICATION OF RECORDS

I, Susan Grokulsky, certify that I am the custodian of records for First Union Rail Corporation and that I have examined the attached copy of the Memorandum of Lease dated as of April 1, 2005, between First Union Rail Corporation (Lessor) and Premium Pellet Ltd. (Lessee) and that the same is a true and accurate copy of the original Memorandum of Lease Agreement relating to said lease.

Susan Grobelsky

Subscribed and sworn to  
before me this  
12<sup>th</sup> day of September, 2005

*Georgia Freilinger*  
NOTARY PUBLIC

